

P-421, 430, 407, 405, 426, 520/CP-93-1049 ORDER APPROVING COST STUDIES AND PROPOSED RATES

BEFORE THE MINNESOTA PUBLIC UTILITIES COMMISSION

Don Storm
Tom Burton
Marshall Johnson
Cynthia A. Kitlinski
Dee Knaak

Chair
Commissioner
Commissioner
Commissioner
Commissioner

In the Matter of a Petition for Extended Area
Service from Red Wing to the Minneapolis/
St. Paul Metropolitan Calling Area

ISSUE DATE: November 1, 1994

DOCKET NO. P-421, 430, 407, 405, 426,
520/CP-93-1049

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PROCEDURAL HISTORY

On October 22, 1993, customers in the Red Wing exchange filed a petition seeking extended area service (EAS) to the Minneapolis/St. Paul metropolitan calling area (the MCA). The Red Wing exchange is served by US WEST Communications, Inc. (US WEST).

On February 3, 1994, the Commission issued its ORDER FINDING ADJACENCY AND SUFFICIENT TRAFFIC VOLUME AND REQUIRING THE FILING OF COST STUDIES AND PROPOSED RATES in this docket.

Between April 19, 1994, and September 1, 1994, affected telephone companies filed their cost studies, proposed rates, and related data.

The Department of Public Service (the Department) filed comments on May 19, 1994, and September 6, 1994. The Department did not take issue with any part of the cost studies or proposed rates.

The matter came before the Commission for consideration on October 18, 1994.

FINDINGS AND CONCLUSIONS

Minn. Stat. § 237.161 provides that when EAS is sought to the MCA, 75% of the costs of providing EAS shall be apportioned to the petitioning exchange and 25% to the petitioned

exchanges. The proposed rates follow the allocation required under the statute. The proposed rate additives for Red Wing are as follows:

| | |
|-----|---------|
| 1FR | \$10.44 |
| 2FR | 8.09 |
| R1M | 3.35* |
| 1FB | 26.13 |
| TCK | 27.54 |
| LMB | 2.47* |
| 1SP | 26.13 |

* indicates the measured rate additives, which are US WEST's proposed lower cost alternatives. Under the US WEST lower cost alternative, the customer switches to measured service for all local and EAS calling. Three hours (180 minutes) are included in the base price for residential customers. No allowance is given to business customers. After the call allowance is used, the following rates are applied:

| <u>Mileage</u> | <u>Initial Minute</u> | <u>Additional Minutes</u> |
|----------------|-----------------------|---------------------------|
| 0-10 | \$.05 | \$.01 |
| 11-over | .06 | .02 |

Proposed rates in the petitioned exchanges are as follows:

US WEST OTHER EXCHANGES

| | | | | | | |
|------|------|------|------|------|------|------|
| 1FR | 2FR | R1M | 1FB | TCK | LMB | 1SP |
| .020 | .015 | .009 | .061 | .064 | .034 | .061 |

ECKLES New Prague

| | | | | | | | | | |
|--------------|---------------|------------------|--------------|---------------|-------------|--------------|-------|----------------|---------------|
| Res. Town | Res. Rural | Res. Mltiprty | Bus. Town | Bus. Rural | Key Town | Key Rural | Trunk | Direct Dial | Pay- phone |
| .018 | .022 | .017 | .036 | .040 | .043 | .047 | .059 | .065 | .063 |

GTE Mound, Maple Plain, St. Bonifacius, Scandia-Marine, Wyoming, Lindstrom, Delano

| | |
|-----------|----------|
| Residence | Business |
| \$.028 | \$.014 |

SCOTT-RICE

| | Bus. 1 pty | Semi Pub | Res. 1 pty | Res 2 pty | COCOT |
|------------|------------|----------|------------|-----------|-------|
| Prior Lake | .053 | .078 | .021 | .017 | .077 |
| New Market | .053 | .078 | .021 | .017 | .077 |

UNITED

| | B1 | R1 | Semi Pub | Trunk | School |
|-------------|------|------|----------|-------|--------|
| Chaska | .026 | .013 | .026 | .033 | .026 |
| Cologne | .012 | .006 | .012 | .015 | .012 |
| Hastings | .820 | .410 | .820 | 1.025 | .820 |
| Osseo | .024 | .012 | .024 | .030 | .024 |
| Rogers | .014 | .007 | .014 | .018 | .014 |
| St. Michael | .006 | .003 | .006 | .008 | .006 |
| Victoria | .036 | .018 | .036 | .045 | .036 |
| Waconia | .020 | .010 | .020 | .025 | .020 |

VISTA**(Apple Valley, Burnsville, Farmington, Jordan, Lakeville, Rosemount, Belle Plaine)**

| B1 | B1 Rural | Key | PBX | Semi-pub | COC OT | R1 | R2 | R4 | Schl 1pty | Schl key | Schl PBX |
|------|----------|------|------|----------|--------|------|------|------|-----------|----------|----------|
| .076 | .000 | .089 | .116 | .095 | .095 | .027 | .024 | .000 | .057 | .066 | .087 |

**SHERBURNE COUNTY RURAL TELEPHONE COMPANY
Zimmerman**

| Residence | Business |
|-----------|----------|
| .01 | .02 |

The Commission finds that the proposed rates and underlying cost studies are appropriate and acceptable. The Commission will approve the proposed rates for the purpose of balloting customers in the Red Wing exchange to determine if EAS will be implemented. The Commission requests US WEST to cooperate fully with Commission Staff and contractors to expedite the polling of Red Wing customers.

ORDER

1. The Commission approves the proposed rate additives set out in the body of this Order for the Red Wing/MCA EAS petition.
2. This Order shall become effective immediately.

BY ORDER OF THE COMMISSION

Burl W. Haar
Executive Secretary

(S E A L)